

WEDNESDAY MORNING, 21 MAY 1986

**WIRE NEWS HIGHLIGHTS**

21 May 1986

**HOME PORTS:** UPTs Eliot Brenner and AP's Eileen Putnam report the Senate Armed Services Committee blocked a motion yesterday by Sen. Strom Thurmond (R-SC) to begin the Navy's \$799 million homeporting program. Putnam says many Committee members felt the 9-9 decision to delay the Navy's fleet dispersal plan came because of uncertainties over what budget cuts would be needed for the program. Brenner says Thurmond sought approval of the homeporting plan, the release of \$89 million budgeted by Congress last year for construction at Staten Island NY and land acquisition in Everett WA, and to direct Sec/Navy John Lehman to seek as much local money as possible to offset Navy expenses. Brenner says the deadlock brought a protest from Sen. Daniel Moynihan (D-NY), who is quoted as saying the Navy's plan would "reduce our vulnerability to attack and enhance the Navy's ability to move its ships to intended areas of operation." Putnam reports the Committee takes up the homeporting question next month as it considers the 1987 military construction budget.

**ARMY ADVERTISING:** AP's Norman Black reports the Army announced yesterday it will solicit competitive bids for a new recruit advertising contract worth roughly \$85 million a year. Black says the decision comes a month after an executive from N.W. Ayer Inc., the Army's current advertising contractor, pleaded guilty to accepting \$60,000 in kickbacks from subcontractors who worked on recruiting films. Pentagon spokesman MAJ Bruce Bell is quoted as saying "The Army certainly considered that in the process of making the decision." The Army is quoted as saying it is not dissatisfied with Ayer's campaigns, but that competitive bidding "will enable the Army to negotiate a contract that strengthens controls on accountability and achieves some economies as well."

**PENTAGON/CONTADORA:** UPTs Richard Gross reports the State Dept has promptly divorced itself from a Pentagon report released yesterday that warns of possible US armed intervention in Central America if the Contadora peace treaty is signed. Gross says this indicates a sharp division in the Reagan administration over the report, which has reportedly not yet been seen by the White House. The 12-page study, entitled "Prospects for Containment of Nicaragua's Communist Government," reportedly carries the DOD seal and was prepared for Congress under the direction of Undersec/Def for Policy Fred Ikle. Gross quotes Ikle as saying other government agencies participated in writing the report, and that "it was not written under contract." Ikle reportedly told Gross the document was seen by mid-level senior officials

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**RADIO-TV NEWS HIGHLIGHTS**

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**SAUDI ARMS SALE:** All major networks report the possible removal of Stinger missiles from the proposed \$354 million arms sale to Saudi Arabia may open the way for eventual approval of the measure. ABC's Sam Donaldson says the modification of the sale was announced at the White House "by the Saudi Arabian Ambassador, Prince Bandar...after a meeting with Pres Reagan this morning." Donaldson says Prince Bandar "had offered to withdraw the entire Saudi request, but was told that wouldn't be necessary, that (the) sale of air-to-air Sidewinder missiles and anti-ship Harpoon missiles was probably doable." NBC's Tom Brokaw says Pres Reagan "persuaded the Saudis to drop their request for (the) 800 shoulder held missiles (because) opponents of the sale fear that terrorists might get hold of (them)."

**PELTON AND THE PRESS:** Developments concerning the Pelton spy case and CIA Director William Casey's attempt to prosecute NBC News for revealing communications secrets are covered by all major networks. CBS' David Martin says "a major clash is building between government and press over whether some of the same secrets Pelton allegedly sold the Russians can now be told to the American people." In reference to the 1950 law which makes it a crime to publish classified information about communications intelligence, Martin quotes former CIA Director Stansfield Turner as saying "The law does not say that you have to be the first person to make something public. There's no exception because somebody else had done it or because the Russians, or anyone else, already knew it." NBC's Tom Brokaw says US Government prosecutors gave no indication today whether they plan to act on (the) request by Casey to file charges against NBC News." ABC's Jim Wooten says the White House confirmed today "that the President himself had personally warned Washington Post owner Katharine Graham ten days ago that any publication of the story NBC broadcast yesterday would force the government to prosecute."

**SEARCH FOR ABU ABBAS:** NBC's Tom Brokaw reports State Department officials "have told NBC's Anne Garrels that they complained to Algeria for failing to seize terrorist Mohammad Abu Abbas and hand him over to the US for trial" for terrorism and hijacking.

(For verbatim texts, see Radio-TV Defense Dialog)

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ones, and that the annual operational cost would run an additional \$35 million to \$50 million. The committee staff estimates that dispersal would cost an additional \$540 million in construction and up to \$300 million more annually for support-

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at the State Dept and the National Security Council "and no disagreement was expressed. It's the junior people who haven't gotten their fingers into it."

**SCIENTISTS BACK SDI:** AP's Bryan Brumley reports 80 scientists yesterday defended SDI against charges that it will not work. The Science and Engineering Committee for a Secure World is quoted as saying Pres Reagan's space defense program "is not designed to cause a war in the heavens, as some charge, but to prevent nuclear war on earth." The Committee, headed by Fred Setz, is quoted as warning that if Moscow deploys such a system before the US does, it "could significantly enhance the Soviet Union's nuclear blackmail capability and tempt it in dangerous ways."

**CASEY/NBC:** UPI's Dana Walker reports media and military experts said yesterday CIA Director William Casey's campaign against security leaks could have a "chilling effect" on news coverage and may be drawing unwanted attention to US classified information. ADM Gene Larocque, USN (Ret.) is quoted as saying "The Soviets now know through Mr. Casey's action that information was highly sensitive, important and prejudicial to US interests. Up to now the Soviets could only hope that they had received accurate information." Walker reports the CIA would not comment on Larocque's statement.

**AFGHAN/SOVIET JETS:** AP quotes Western diplomatic sources as saying scores of advanced Soviet warplanes have been sent into Afghanistan and are being used for intensive bombing campaigns against anti-government rebels. The sources reportedly have seen the jets flying over Kabul in recent days, and one Western source is quoted as saying MIG-25s have been seen at the Kabul airport.

**SAUDI ARMS:** UPI's Norman Sandler reports Pres Reagan withdrew anti-aircraft Stinger missiles from his proposed \$354 million arms sale to Saudi Arabia in a last-ditch bid to rescue the deal from rejection by Congress. Sandler says a loss on the sale by Reagan would be an embarrassing foreign policy defeat, and that the \$89 million Stinger component was the most contentious of the embattled Saudi arms package.

ing the men and ships.

Under the Navy plan, ships would be homeported in Staten Island, N.Y.; Everett, Wash.; Lake Charles, La.; Pascagoula and Gulfport, Miss.; Galveston, and Corpus Christi, Tex.; Mobile, Ala., and Pensacola and Key West, Fla. Other ships would rotate among ports in Hawaii, San Francisco and Long Beach, Calif.

Last year the committee approved \$89 million in construction funds for Staten Island and Everett but held up the money until the Navy had submitted a full report on the costs involved. Yesterday's vote keeps that money locked up.

Sen. Daniel Patrick Moynihan (D-N.Y.), whose state would benefit from the homeporting plan, called the vote an "aberration" to be corrected when the military construction bill reaches the Senate floor.

Eight Democrats joined Chairman Barry Goldwater (R-Ariz.) in voting against the plan, committee sources said, while Sen. John C. Stennis (D-Miss.) sided with eight Republicans in favor of dispersal.

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are not met amounts to a "shotgun at this wedding."

To no one's surprise, defense emerged as the critical issue almost from the start as the conferees gathered for preliminary posturing and laid the groundwork for real bargaining, which will begin after Congress returns from an almost two-week Memorial Day recess in the week of June 2.

While both houses settled for defense budgets that would level off President Reagan's military buildup, they wound up with a \$16 billion difference in spending authority for the military. And that gap is complicated by a potentially difficult dispute over cash outlays for next year and the resulting balance between readiness programs and long-term weapons procurement.

Reagan had proposed spending authority of \$320 billion, a \$33 billion increase over current appropriations levels. The Senate approved \$301 billion, the House \$285 billion. Critics led by House Armed Services Committee Chairman Les Aspin (D-Wis.) contend that all three versions would squeeze readiness programs while authorizing continued growth in weaponry.

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**Sub trials postponed**

The sea trials of the missile submarine Nevada, which will cause the dismantling of two aging subs to comply with SALT missile limits, have been postponed. Scheduled to start yesterday, the trials tentatively have been delayed until May 28, according to officials who requested that they not be identified. They said the delay was for "technical reasons" unrelated to arms control policy.

Ken Adelman, the head of the Arms Control and Disarmament Agency, was scheduled to testify before the House Armed Services Committee today on the administration's reported decision to scrap the two subs. His testimony has been delayed. The White House is said to be considering a formal announcement on the matter.

Although Gray had played down differences over defense, saying the two chambers are "not all that far apart," Domenici said the Senate has "a rather firm commitment . . . almost an instruction" to stick by its figure.

Several House conferees said the House is similarly determined to fight for its numbers. The House, said Rep. Marty Russo (D-Ill.), is "very, very vehement." Rep. Howard E. Wolpe (D-Mich.) also cited a "very strong" position in the House but also said he thinks that there is "a rather surprising degree of consensus" in both chambers about slowing the rate of defense spending growth.

Use of an anticipated one-year revenue windfall from the tax-overhaul bill to meet Gramm-Rudman-Hollings targets ran into strong reservations from key conferees, despite support from Senate Majority Leader Robert J. Dole (R-Kan.).

Gray said windfall revenues should be devoted to deficit reduction beyond the \$144 billion deficit target for next year. Domenici said the Senate will continue to insist on \$10 billion in new revenues beyond any windfall to meet the target.

(Complete texts on file in SAF/AAR)